



Maryland
Energy
Administration

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Mary Beth Tung, Director

Fiscal Year 2020 Notice of Grant Availability Commercial, Industrial & Agricultural Grant Program

Program Description: The Maryland Energy Administration (“MEA”) is providing the Fiscal Year 2020 Commercial, Industrial & Agricultural Grant Program (“FY20 CI&A Program”) to Maryland commercial, industrial, farms, and other agricultural entities for the implementation of energy efficiency and conservation improvement projects to their existing or to-be-constructed facilities.

Program Budget: Up to \$1.25 million is available for award from the CI&A Program in Fiscal Year 2020, subject to availability¹. The Program Budget will be divided equally between two application windows, as follows (details on application dates are in the “Application Periods” section below):

- \$625,000 available for applications received in Application Period 1 from July 29 – October 15, 2019
- \$625,000 available for applications received in Application Period 2 from October 16 – January 15, 2020

If MEA does not award the full Application Period 1 budget, any remaining funds will be added to the Application Period 2 budget.

Type of Grant Program: The FY20 CI&A Program is a **Competitive** grant program.

Incentive Amounts: Based upon the type of project, where “project” refers to the eligible energy efficiency measures for which an application has been submitted to the FY20 CI&A Program and selected for an award, incentive amounts will be calculated as follows:

- **Existing Facilities:** Up to 50% of the Net Project Cost (defined as Total Cost minus all other incentives, rebates, and leveraged funds), or \$100,000, whichever is lower. If a project is making improvements at multiple facilities, the TOTAL award for all facilities under the CI&A program cannot exceed \$100,000.
- **To-be-constructed Facilities:** Up to 50% of the Net Project Incremental Cost (defined as Total Cost minus all other incentives, rebates, and leveraged funds AND the cost of energy

¹ Funds are not available for award until the start of fiscal year 2020, which begins July 1, 2020.

code-minimum technology, equipment, or building materials/envelope measures), or \$100,000, whichever is lower. If a project is comprised of multiple facilities, the TOTAL award for all facilities under the CI&A program cannot exceed \$100,000.

Additional information on how to calculate incentive amounts is provided in the FY20 CI&A Application Instructions document. MEA may request additional backup documentation further justifying stated project costs and/or alternative bids if the provided bids are deemed unreasonably high by the Evaluation Team.

Eligible Entities:

- Businesses (registered corporations, LLPs, LLCs, GPs, etc.)
- Manufacturers & Other Industrial Entities
- Farms and Businesses in the Agricultural Sector
- Nonprofit Organizations
- Private Schools (Pre-K, K - 12)
- Community and Privately-owned Colleges and Universities

Ineligible Entities:

- Data Centers (MEA provides energy efficiency incentives for data centers through its [Data Center Energy Efficiency Grant Program.](#))
- Public Schools (Public school systems are eligible to apply for low-interest loans for energy efficiency projects through [MEA's Jane E. Lawton Conservation Loan Program.](#))
- Local Governments (Local government entities can participate in MEA's [Maryland Smart Energy Communities](#) program.)
- Contractors designing and/or performing the energy efficiency project installations

Application Periods: The FY20 CI&A Program will be split into two consecutive competitive Application Periods. Open and close dates are as follows:

- **Application Period 1:** July 29 – October 15, 2019. Applications will be accepted beginning at 10:00 A.M. EDT on July 29, 2019 and are due by 11:59 P.M. EDT on October 15th. Any applications received after 12:00 AM EDT on October 15th will be considered part of Application Period 2. Applications will be reviewed on competitive basis by an Evaluation Team. Award announcements will be made as applications are competitively selected for award.
- **Application Period 2:** October 16 – January 15, 2020. Applications will be accepted beginning at 10:00 A.M. EDT on October 16th and are due by 11:59 P.M. EDT on January 15th. Applications will be reviewed on a competitive basis by an Evaluation Team. Award announcements will be made as applications are competitively selected for award.

Eligible Facilities: The FY20 CI&A Program is available for projects that increase the energy efficiency/improve the energy conservation of electric and non-electric fuel consumption of existing facilities or dedicated spaces within facilities, and for projects that propose to install above code-minimum energy efficient equipment, fixtures, and building materials that affect energy consumption in to-be-constructed facilities. This program does not include transportation fuel usage.

NOTE: A dedicated space is a partitioned space within an overall facility with a clearly distinguished purpose from the rest of the facility. If not separately metered for electricity/gas/etc., the Applicant organization must be able to derive and document consumption of the dedicated space from the overall energy charges.

Program Eligibility Requirements: At minimum, each proposed project must meet the following requirements:

- Be located in an existing facility or to-be-constructed facility within the State of Maryland which is owned or leased by the Applicant organization;
- **Reduce total facility energy (electricity and non-electric (thermal) energy) consumption by at least 20% of its baseline consumption on a MMBTU/year basis** (or projected consumption for to-be-constructed facilities). If a project proposes only electricity measures, the 20% requirement applies only to its electricity baseline. If it employs thermal-only measures, the 20% requirement applies only to its thermal baseline. If it employs both types of measures, the combination of saved energy must achieve 20% in MMBTU savings from its combined electricity and thermal baselines;
- Must be cost-effective—where cost-effectiveness is defined as an overall aggregate simple payback of the energy efficiency measures **before the application of rebates, incentives, and other leveraged funds** of up to twelve (12) years, depending on the type of energy measures being proposed;
- Be comprised of at least two (2) significant energy conservation measures (“ECMs”) that replace or improve existing equipment, technology, or building envelope/materials (or, for to-be-constructed facilities, prevent the installation of code-minimum technology, equipment, or building envelope/materials). MEA reserves the sole right to determine whether or not an ECM is significant.
 - Specifications for individual ECMs must exceed minimum energy code requirements. As of March 25, 2019, the State of Maryland has adopted the 2018 International Energy Conservation Code (IECC).
- Have a total cost, **before the application of rebates, incentives, and other leveraged funds**, of at least \$20,000.
- If located within one of Maryland’s five major utility service territories (BGE, PEPCO, Potomac-Edison, Delmarva Power & Light, SMECO) that offer EmPOWER utility rebates

for energy efficiency measures, Applicants must either apply for eligible measures within their projects or submit formal intent to MEA to apply.

Calculating Energy Consumption Baselines: Eligible projects must establish an energy consumption baseline for the facilities or dedicated spaces proposed for upgrade. A baseline is considered:

- Existing Facilities: Consumption data from the most recent 12 consecutive months' utility bills. Consumption information for past months is available from the utility provider.
- To-be-constructed Facilities: 12 consecutive months' projected energy usage assuming the installation of energy code-minimum equipment, technology, building materials, etc. Further details on how to calculate this baseline can be found in the FY20 CI&A Application Instructions document.

Applicants must then base the savings generated by their projects from these baselines. Baseline consumptions should be expressed in the following units:

- Electricity Measures: kilowatt-hours (kWh)
- Natural Gas Measures: therms
- Propane and Fuel/Heating Oil Measures: gallons (gal)
- Other Types: Contact MEA (see the section entitled "Additional Information" below)

NOTE: Projects that employ electricity and non-electricity ECMs will have their baseline consumptions converted to MMBtus and aggregated for an overall energy usage baseline. Applicants are welcome to conduct this step themselves in their applications, but it is not required. MEA will conduct this step during formal application review.

Review Criteria:

- Amount of Energy Saved
 - Eligible projects must reduce existing or projected baseline facility/dedicated space total energy (electricity and non-electric (thermal) energy) consumption by at least 20% in aggregate.
 - If a project proposes only electricity measures, at least 20% of its electricity baseline must be reduced. If it employs thermal-only measures, the at least 20% requirement applies only to its thermal baseline. If it employs both types of measures, the combination of saved energy must achieve at least 20% savings from its combined electricity and thermal baselines.
- Diversity of energy savings
 - Preference will be given to projects with a well-rounded portfolio of savings from a diverse selection of energy measures. An ideal application will derive no more than 70% of the total project cost from a single measure.

- Accuracy of Energy Savings Data
 - The Applicant Organization must support the anticipated energy savings of its project through sufficient backup documentation. The preferred method that most fully supports estimated energy savings is through a third-party energy audit of the facility/dedicated space. Alternative methods which are accepted, but not the most ideal, are audits conducted by the contractor selected to implement the project, or calculations performed using the Mid-Atlantic Technical Reference Manual. In order to be deemed eligible, the energy savings estimates must adequately and reasonably support the claimed energy savings.
 - While MEA will follow-up to clarify minor questions regarding energy savings estimate methodology, any energy savings estimates deemed to be missing or insufficient may result in an application being categorized as ineligible by MEA.
- Number of Energy Conservation Measures (“ECMs”) Implemented
- Cost-effectiveness
 - Projects should have a simple payback period less than the average useful life of installed measures. MEA may evaluate cost-effectiveness per measure and in aggregate.
 - Total aggregate project simple payback cannot exceed 12 years.
- Leveraged Funds
 - Applicants located within one of Maryland’s five major utilities which provide commercial/business energy efficiency incentives must apply for or submit a formal letter of intent to apply for all incentives available for the ECMs in their projects.
- Project Feasibility
 - The project must be completed within eighteen (18) months of the execution of a Grant Agreement with MEA.

Restrictions and Additional Requirements:

- **Renewable energy measures are not eligible for funding under the CI&A Program.** Applicants employing renewable energy measures may be eligible for funding for these measures from MEA’s [Commercial Clean Energy Grant Program](#).
- **Fuel switching measures are not eligible for funding under the CI&A Program.** Fuel switching is considered switching from one energy fuel type to another solely for fuel costs reasons with little, negligible, or no net reduction in energy consumption.
- **CI&A Grant Program funds cannot be provided for Combined Heat and Power (“CHP”) systems.** Applicants seeking incentive dollars for a CHP system should explore MEA’s [Combined Heat and Power Grant Program](#).
- Prior to the start of construction, each project selected for funding must be reviewed by the Maryland Historic Trust (“MHT”) or MEA’s qualified historic preservation specialist on

staff to ensure that no historic property (or property located within a historic district) will be adversely impacted by the project's implementation. MEA may require that the Grantee provide additional information concerning the project site in order to complete the historic preservation review. ECMs which create an adverse impact to the historical significance of a property cannot receive grant funding.

- MEA reserves the right to obligate all or none of the FY20 CI&A Program budget, based on the quality and eligibility of applications submitted to MEA.
- MEA reserves the right to award all or a portion of a selected Grantee's requested grant amount based upon funding availability and the quality, eligibility, and quantity of applications submitted to MEA.
- Grant funds cannot be issued for ECMs purchased or installed prior to the execution of a Grant Agreement between the Grantee and MEA.
- A project that receives a Grant must be completed and MEA or its authorized representatives must conduct a post-installation site inspection before funds can be paid to the Grantee.
- As this is a competitive program, incomplete applications will not be considered.
- Chapter 757 of the 2019 Acts of the General Assembly of Maryland includes a provision referencing the American Manufactured Goods provisions in §§ 14-416 and 17-303 of the State Finance and Procurement Article. Applicants affected by those provisions should take them into account when developing FY20 applications to SEIF-funded programs.
- Effective October 1, 2019, Chapter 757 of the 2019 Acts of the General Assembly of Maryland will require at least 80% of workers participating in a SEIF-funded project or program to reside within 50 miles of the project or program. As the SEIF funds a statewide program, MEA will determine compliance based on whether at least 80% of workers participating in a SEIF-funded project reside in Maryland, or within 50 miles of Maryland's borders. Applicants should take this new requirement into account when developing FY20 applications to SEIF-funded programs. FY20 SEIF-funded grant agreements will contain a section further outlining this requirement, including any documentation of compliance that will be required before grant funds are disbursed.

Required Application Documents:

1. **MEA Application:** Please find Word application form on our [website](#).
2. **Energy Baseline Documents:** For projects that will be implemented in existing facilities or dedicated spaces, Applicants must submit a completed copy of the FY20 CI&A Program Utility Summary spreadsheet as well as the associated 12 months of utility bills/data.

For projects that will be implemented in to-be-constructed facilities or dedicated spaces, Applicants must submit a completed copy of the FY20 CI&A Program Projected Baseline Summary spreadsheet as well as associated calculations and assumptions documents.

3. **Energy Savings Documentation:** Applicants must clearly document their proposed energy savings either through a facility/dedicated space Energy Audit (or modeling software if the project is in a to-be-constructed facility) or through savings estimates using the Mid-Atlantic Technical Reference Manual (“TRM”). **Applicants are encouraged to utilize Energy Audits/modeling software over TRM calculations.** See the FY20 CI&A Application Instructions document for more information.
4. **Contractor Proposal(s):** Applicants must provide at least one (1) project proposal/bid from (a) qualified contractor(s). Applicants are encouraged, but not required, to solicit bids from multiple contractors.
5. **EmPOWER Utility Rebate Application(s)/Letter of Intent:** Applicants located within one of Maryland’s five major utility service territories must apply or submit formal intent to apply to the incentives offered by their utilities for eligible ECMs. Applicants who have applied must include copies of their completed applications, and applicants who have not yet applied must submit a letter of intent to apply.
6. **Project Timeline:** A detailed project timeline establishing milestones (such as project start, procurement, installation, etc.) must be provided. Applicants should use a Gantt chart or similar format.
7. **Certificate of Status from the [Maryland State Department of Assessments and Taxation \(“SDAT”\)](#):** Applicants must be in Good Standing with the State of Maryland at all times.
8. **Nutrient Management:** If applicable, you must have a current [Nutrient Management Plan \(NMP\)](#) and have submitted the [Annual Implementation Report \(AIR\)](#) to Maryland Department of Agriculture (MDA).

Additional Information: For more information or assistance, please visit the [FY20 CI&A Program webpage](#) or send an email to ci.mea@maryland.gov. Alternatively, contact Caitlin Madera at (410) 537-4074.